



CALPEEK

CALIFORNIA POLITICAL WEEK

P.O. BOX 1468, BEVERLY HILLS, CA 90213 (310)659-0205 FAX(310)657-4340
Dick Rosengarten, Publisher E-Mail calpeek@aol.com

VOL. XXIII
No. 13

MAR. 26, 2001

ENERGY & POLITICS: ASSEMBLY GOPers BASHING PUC's LYNCH. STATE PAPERS GO AFTER DAVIS.

Editor's note: The day after rolling blackouts hit many parts of the State, CA Assembly Republicans decided to join in the bashing of CA PUC President Loretta Lynch, calling for her to resign – or failing that, for Gov. Gray Davis to fire her. And following a second day of blackouts, three of Calif.'s biggest daily newspapers went after Davis. Not an especially good week for the gov or for the big IOUs (PG&E, SCE or SDG&E). Here's our analysis & commentary...

...An open letter from GOP Assembly Leader Bill Campbell to Gov. Davis says the Republicans in the lower house have no confidence in Lynch to "play a constructive role in solving the State's energy crisis." It's just one more group of GOPers trying to blame Lynch for State's current energy crisis. As noted in Calpeek several weeks ago, there is a concentrated Republican effort to make Lynch into what GOP spin doctor Dan Schnur called the "Rose Bird of Electricity." It's pile on time in Calif...

...Part of the reason for the two days of rolling blackouts was because the alternate energy providers (wind, solar, etc.) refused to feed power to SCE and PG&E. Why? Because these IOUs haven't paid the alternate energy providers for months. Davis called the IOUs failure to pay these alternate energy providers "shameful." The situation now has been resolved, but could have been fixed 8 weeks ago if these alternate energy providers had accepted a deal offered by State Sen. Debra Bowen(D). Instead, according to our sources, they were looking for a sweetheart deal which never materialized. The deal to solve this alternate energy providers problem is the Bowen plan...

...Politically, the rolling blackouts have been good news for Calif. GOPers. The energy crisis and Davis' handling of it is really the only thing Republicans have going against the first term governor for Campaign 2002. And there is some evidence (polling data) which suggests Gov. Davis' numbers are falling. The biggest problem Davis faces is that there is no quick fix and the public is getting frustrated...

...FYI: GOP consultant Sal Russo's latest blast at Davis' chief political operative, Garry South (The Insider 3/20) has a headline which reads: "Garry South wanted to send you a faxfacts (South's spin sheet) today... Unfortunately he was hit with a rolling blackout!" Good zinger. But a better one liner comes from The Loyal Opposition – another spin sheet put out by Sacto-based GOP op research consultant Mark Bogetich. In his Mar. 20th issue, Bogetich makes note of a Feb. 28th AP story about a Davis quote ("I see the light at the end of the tunnel and it's not a train"). From Bogetich: "Sorry, Governor, but the light at the end of the tunnel was just hit by the same rolling blackouts that left more than 1.2 million customers in the dark yesterday..." Stay tuned...

IT'S CRUNCH TIME IN THE L.A. MAYOR'S CONTEST.

Editor's note: With only two more weeks to go until the April 10th L.A. City election, the Big 6 candidates to replace outgoing Mayor Richard Riordan have entered what's known as crunch time. It's that period when the campaigns will either catch on or crash. Here's our update, analysis & commentary...

...Some new polling data first. KABC-TV Eyewitness News (poll by Survey USA, 3/16 to 3/18 among 1,000 likely voters citywide). For comparison, here's the poll by Steve Soboroff (survey by Fairbank Maslin, Mar. 7-8, 500 likely voters:

	<u>KABC</u>	<u>Soboroff</u>
Jim Hahn	28%	24%
Steve Soboroff	15%	18%
Antonio Villaraigosa	16%	9%
Joel Wachs	13%	12%
Kathleen Connell	12%	4%
Xavier Becerra	7%	3%
Undecided	5%	30%
Other	4%	

...What the KABC-TV poll confirms is that L.A. City Atty. Jim Hahn makes the runoff. The second place situation is still very much up for grabs and some are already saying that April 10th could be a very long night. At least three of the candidates have some upward momentum: Soboroff; former Assembly Speaker Antonio Villaraigosa, who was

CALPEEK – P.O. BOX 1468, BEVERLY HILLS, CA 90213

just endorsed by Gov. Gray Davis; and CA Controller Kathleen Connell. The Wachs campaign appears *stalled* for the moment. Back to Connell. she's spending big bucks on tv and her one spot is fairly good – lots of movement, solid fiscal themes...

...Several **Calpeek** sources not connected with any of the mayoral candidates feel that unless lightning strikes, U.S. Rep. Xavier Becerra won't be facing Hahn on June 5th. That's not to say Becerra doesn't have a solid campaign. He's putting lots of effort into a strong grassroots GOTV effort and he hit the tv airwaves this past week. But he's not as well funded as the others and some **Calpeek** sources still insist that Becerra is a *spoiler* – in that he takes just enough votes away from Villaraigosa to keep the former Speaker out of the runoff. "He's a Latino version of Ralph Nader," one source told **Calpeek**....

...Notes from the campaign trail: The L.A. Times profile on Connell (by Virginia Ellis) ran Mar. 17th (Saturday). Parts of the story were negative and a source told **Calpeek**, "I'll bet Kathleen went into a tizzy." Sources say the profile could have been worse...Most sources say the best tv ad on the air right now belongs to Soboroff. It's the traffic ad. ...Sources say the Wachs tv ad (with him in a room full of people) is a waste of money. Question: is Wachs micro-managing his campaign?...Sources confirm that the Calif. Demo Party will pump in big bucks (\$300,000 to \$500,000) to help Villaraigosa. Stay tuned...

CAMPAIGN 2001: A FIRST LOOK AT 49TH ASSEMBLY DISTRICT SPECIAL TO REPLACE GLORIA ROMERO.
Editor's note: With new State Sen. Gloria Romero's big win over Martin Gallegos on Mar. 6th, Gov. Davis didn't waste a second to call a special election to replace Romero in the CA State Assembly. The special primary is set for May 15th, with a July 10th runoff – if necessary. Here's first report on this special...

...Thus far the only big names to surface in this special are Monterey Park Councilwoman Judy Chu and Alhambra Councilman Dan Arguello – both Demos. The 49th AD is a heavy Demo registration district, thus GOPers need not apply. The registration is 56.74%(D) vs. 21.37%(R), with 17.84% (DTS)...

...Romero has decided to endorse both of these candidates. Chu was a strong Romero supporter in the 24th SD special and there was some talk that Romero had promised to back several potential candidates in return for their help. Looks like speculation that turned out to be correct...

...Chu is no stranger to the 49th AD as she came within

2,900 votes of beating Romero in the Demo primary back in 1998. Chu has hired Romero's lead campaign consulting team of Steve Gray-Barken & Parke Skelton of SG&A Campaigns. Paul Goodwin of GLS Research will do the polling (he did Romero too) and Mary Ellen Padilla is the cmp. treasurer. Sacto-based consultant Richie Ross will handle Arguello's campaign and Darrell Alatorre will handle daily mgt...

...Chu's team is already out with a first news release touting the Monterey Park councilwoman's endorsements and fundraising skill. According to the memo, Chu has already raised more than \$50,000 for this special. When she ran in 1998, she raised \$360,000...

...In terms of endorsements, Chu lists Romero (duel endorsement); L.A. Co. Sheriff Lee Baca; Assemblywoman Carol Liu(D-44 AD); Monterey Park Mayor Pro Tem Francisco Alonso; San Gabriel Mayor Harry Baldwin (+ all 4 other councilmembers); El Monte Mayor Rachel Montes; Monrovia Mayor Lara Blakely; and a ton of school board members. FYI: Monterey Park, Chu's base, had the highest turnout in the 24th SD special. Alhambra, Arguello's base, had the lowest election turnout in the special...

...The big prize in terms of an endorsement is U.S. Rep. Hilda Solis(D). She represented the 24th SD before her election to Congress. In her primary battle with former Congressman Marty Martinez, Solis had the support of Chu – but Arguello was MIA. Thus some believe Solis will back Chu. We'll have to wait and see. The other big prize is labor – and here Arguello may end up with L.A. Co. Labor chief Miguel Contreras' support. Stay tuned...

CA DEMO PARTY DELEGATES TRAVEL TO GOP TURF IN ORANGE COUNTY FOR 2001 ANNUAL GATHERING.
Editor's note: About 2,000 delegates will attend the Calif. Demo Party's annual convention in Anaheim Mar. 30th – April 1st. Most of the party business will take place at the Anaheim Convention Center, but the Anaheim Hilton is where most of the delegates will stay after hours. It's the first time the Calif. Demo Party has ventured into Orange Co. for a statewide convention and that fact by itself is attracting some news media attention. Here's our brief update...

...It used to be that the CDP's early spring convention was always held in Sacramento. But last year the CDP's "E Board" changed the rules. CDP delegates will get to hear from U.S. House Demo Leader Dick Gephardt and the DNC's new chair, Terry McAuliffe. In addition, delegates will hear from the DNC's new Nat'l Development Chair, former Atlanta Mayor Maynard Jackson...

... With Gov. Gray Davis, AG Bill Lockyer, Lt. Gov. Cruz Bustamante and Treasurer Phil Angelides expected to roll to easy primary wins in the Mar. 5, 2002 primary, some news media attention will undoubtedly be focused on potential candidates looking at Controller, Secretary of State and Insurance Commissioner. Other than former SOS March Fong Eu, who has announced she's running for her old job, there's been very little activity by other potential candidates...

... Unlike the Calif. Republican Party, the Calif. Demo Party with its highly professionalized and stable staff, has had a string of 3 successful election cycles, thus there's no hint of disapproval in the way that CDP Chair Art Torres has performed as party chair over the past 4 years. And he's running for reelection – unopposed. 1st Vice Chair Alice Wong and 2nd Vice Chair Ms. Alex Rooker are trying to switch jobs, but Antonio Salazar Hobson is expected to remain as CDP controller. Jim Clarke, the CDP's secretary, is stepping down. Wong is expected to be challenged for the 2nd Vice Chair post by Steve Ybara, the outgoing chair of the Chicano/Latino Caucus. All of the voting for CDP leadership posts, including 21 regional directors, will be done by touch screen voting, with equipment by the same firm which supplied Riverside Co. with its touch screen system last November – Sequoia Pacific. Stay tuned...

CAMPAIGN 2002: CALIFORNIA INITIATIVE UPDATE.

Editor's note: There are 9 initiatives at the AG's office awaiting title & summary before being sent over to the CA Secretary of State's office. Here's a brief update on the initiative front...

⌘ Qualified: *Insurance Fraud* (SB 1988 by State Sen. Jackie Speier). This is an act to amend sections of the Business & Professional code, insurance code and vehicle code relating to insurance fraud...

⌘ Searching for Signatures (on the street):

- Legalized Gambling. 670,816 signatures required. Deadline: 4/5/01.
- Overriding Federal Law. Petition to Secretary of State. Removal of Aborting Equipment. 419,260 signatures required. Deadline: 6/25/01.
- Compensation of State Officers. 670,816 signatures required. Deadline: 7/30/01.

⌘ Initiatives at the AG's office:

- ♦ Unborn Children.

- ♦ Child & Family Protection Act.
- ♦ The People's Gaming Act.
- ♦ The Racial Privacy Initiative.
- ♦ Let the Voters Decide.
- ♦ The CalFed-Home Water Agency Act.
- ♦ Standardized Monorail Systems.
- ♦ Calif. Clemency Board.
- ♦ Calif. Welfare Reform Act of 2002.

... FYI: the CA State Assn. of Counties(CSAC) is still exploring a ballot initiative over the issue of local property taxes being shifted to the State. Last November, the CA Supreme Court ruled that the State could take the money, about \$4 billion per year. The State then returns about \$3 billion, leaving local government short by \$1 billion. This property tax shift was done back in 1992-93. Stay tuned...

CAMPAIGN 2001: UPDATE ON THE 32ND CD SPECIAL.

Editor's note: The battle to replace the late Julian Dixon (D-L.A.) in the 32nd Congressional District still has two weeks to go until the April 10th primary. There are 19 candidates in all, but insiders are betting the contest will boil down to 3-4 Demo candidates. The 32nd CD has a very heavy Demo registration: 70.76% (D) vs. 12.04%(R), with 12.27% (DTS). Here's our update & analysis...

... The conventional wisdom has always been that this special is Diane Watson's to win or lose. Early polling by Fairbank Maslin Maullin showed Watson miles ahead in a 3-way contest with State Sen. Kevin Murray and L.A. Councilman Nate Holden. The poll was taken Feb. 2-4 among 400 likely voters and had Watson with 44% vs. 16% each for Holden and Murray. But Calpeek has seen numbers from an independent survey (recently completed) and it shows Watson's once huge lead to be cut almost in half. She's ahead by low, double-digits, with Holden and Murray still tied. The rest of the field is out of it...

... And while most Calpeek insiders feel that Watson's most serious challenge comes from Murray, Holden continues to hang in there like a pit bull. The problem for both Murray and Holden is overcoming 22 years of good name ID for Watson, who almost has celebrity status in L.A.'s African American community. And this new, independent polling data also shows Watson with very few negatives...

... Enter Philip Lowe. Turns out that Lowe has already shelled out \$150,000 for several weeks of radio plus 2 mailers, compared to hardly anything from Watson and Murray. Holden has lots of signs and he's on radio too.

Lowe, a former Wall Street type, has hired S.F.-based consultants Terris Jaye & Barns, a sure sign he's got money. But will it be enough to propel him past Watson, Murray and Holden? Insiders tend to doubt it...

...In the endorsement game, Murray continues to get some of the best: Bettye Dixon, Julian's widow; and now U.S. Rep. Maxine Waters(D-L.A.). The Waters endorsement wasn't a big shock, as Maxine and Diane are like oil and water...

...FYI: On the GOP side, Noel Irwin Hentschel has hired former NRCC political director Ed Brookover to run her campaign. She's also got Sean Walsh doing the spinning. Stay tuned...

CALPEEK'S CALENDAR OF POLITICAL EVENTS

Mar. 30-Apr. 1	CA Democratic Party convention @ Anaheim Convention Center.
Mar. 30-Apr. 1	Calif. Republican Assembly annual convention, Renaissance Los Angeles Hotel.
Apr. 3	Glendale & Inglewood city elections; 65 th AD Special runoff election.
Apr. 10	L.A. city primary & 32 nd CD special primary election.
Apr. 17	Compton city election.
Apr. 26	Pat Brown Inst.'s 20 th Annual Awards Dinner, Regal Biltmore Hotel, L.A.
May 15	49 th AD special primary.
June 5	L.A. city runoff election; 32 nd CD special election runoff.
June 28-30	NALEO's 18 th Annual Conference, San Jose.
July 10	49 th AD special election runoff.

CALPEEK'S INFOBAHN: POLITICAL SHORT TAKES.

Editor's note: Here are a few items, political & otherwise, worth noting...

■ **65th AD Update** – This special election runoff will take place April 3rd. The two key rivals vying for this open CA Assembly seat are GOP businessman Russ Bogh and retired naval officer Ray R. Quinto(D). Quinto finished first in the primary with 41.1% vs. 29.10% for Bogh. But remember: Bogh had 6 GOP rivals. The big push in these last few days is for absentee ballots. GOP sources say that as of 3/20, there were 17,892 requests (applications) for A/B ballots. Of this number, 52.3% were from GOP voters vs. 36.8% from Demos and 10.9% from independents. Bogh is the favorite in this special runoff...

■ **Alioto vs. Eu for SOS** – It's true. Michela Alioto(D-St. Helena) who narrowly lost to CA Secretary of State Bill Jones(R) in 1998, will try once again in 2002. Former

CA Secretary of State March Fong Eu has already announced that she wants her old job back...

■ **Riordan Endorses Rocky** – L.A. Deputy Mayor Rocky Delgadillo finally got what he's been missing in his campaign for L.A. City Attorney: an endorsement from his boss, L.A. Mayor Richard Riordan...

■ **Jerry Brown to seek Reelection** – Not that anyone really thought he wouldn't go for a second term as Oakland's mayor. Brown, 62, will run again in the Mar. 5, 2002 primary. Brown may not have a free ride because former Oakland Councilman Wilson Riles Jr. and current Councilwoman Nancy Nadel are both testing the waters...

CALPEEK'S NEW JOBS AND PERSONNEL NOTICES.

Editor's note: Here are some items to mark down in your notebook. We've got a ton of them...

● A sad note: long time GOP political insider, spin doctor and columnist Zan Thompson has died. She was 85 and had been in poor health for some time. R.I.P...

● Another sad note: Robert E. Burton, 72-year-old brother of CA State Senate Pres. John Burton died Mar. 18. He was a member of the S.F. Community College Board, but was not as well known as either John or the late U.S. Rep. Phillip Burton. R.I.P...

● Attorney Colleen McAndrews has been appointed to the newly formed Nat'l Comm. on Federal Election Reform. She is a partner in the political law firm of Bell, McAndrews, Hiltachk & Davidian...

● Ex Stoorza Communications vp Denis Wolcott has been named media services manager for the MWD of So. Calif...

● CRP Chair Shawn Steel has named U.S. Rep. Gary Miller(R-Diamond Bar) as his liaison to the GOP Calif. House delegation...

● The polling firm of GLS Research (Paul Goodwin) has moved from Santa Monica to 5757 Century Blvd., #604, L.A. 90045. New ☎ (310)410-1093...

● The Sacto-based law firm of Olson Hagel Waters has promoted Belinda M. Gross to political reports mgr. and Suzette Olson to political reports asst. mgr...

● NCG/Porter Novelli in Sacto has promoted Stephen Kulieke to counselor...